

April 1, 2010

VIA ECF

Marlene Dortch, Secretary
Federal Communications Commission
445 12th St., SW
Washington, DC 20554

**Re: Free Conferencing Corp.'s Response to March 26, 2010 Verizon *Ex Parte*;
Establishing Just and Reasonable Rates for Local Exchange Carriers, WC Docket
No. 07-135**

Dear Ms. Dortch:

In response to the authoritative economic analysis, *Fact Report: The Economic Impact of Free Conference Calling Services*, co-authored by Dr. Alan Pearce,¹ the former Chief Economist at the Federal Communications Commission, Verizon responded by stating that "there is nothing factual at all about the Report." Verizon supplied no numbers to prove their expenses, or profits, but instead made false accusations and posted misinformation aimed at misleading lawmakers. In fact, Verizon's entire argument is based on the assertion that free conferencing providers somehow generate "artificial" telephone traffic. Verizon even goes so far as to assert that free conference calling services are akin to bilking the TRS Fund for deaf Americans, a case where ["...defendants admitted that they conspired with others to pay individuals to make fraudulent VRS phone calls...Each defendant admitted to generating or processing thousands of illegitimate VRS hours that were billed to the FCC..."² Verizon says that this is "directly analogous" to what LECs and free conference service providers are doing.

Free Conferencing has millions of REAL users who use an average 21 minutes per month at an average cost at or below 2¢ to the IXC's. Thus, the IXC's average cost per customer utilizing Free Conferencing's services is 42¢ per month, nothing near the amount billed by the IXC's to their customers for long distance telephone service. Verizon asks you to believe that Free Conferencing is like a bunch of guys who paid individuals to make telephone calls, "artificially", in order to fraudulently generate \$6.50 per minute or \$390.00 per hour in order to skim money from a service designed to service the deaf community. Our traffic is not artificial and I will prove it to any party that is interested enough to ask. Forcing the consumer to pay for artificial traffic is not what we do!

The truth is that free conferencing services are used by Fortune 500 companies, medium and small businesses, network marketers, political campaigns, nonprofits, churches, and community groups, just to name a few of the very real consumers who value free conferencing services and who believe that they pay for these services every month when they pay their telephone bill.

¹ See Letter from Alan Pearce, Information Age Economics, Inc., to Marlene H. Dortch, FCC, WC Docket No. 07-135, *et al.* (March 1, 2010), attaching *Fact Report: The Economic Impact of Free Conference Calling Services* ("Pearce Report").

² See Letter from Donna Epps, Verizon, to Marlene H. Dortch, FCC, WC Docket No. 07-135, at 3-4 (March 26, 2010) ("Verizon *Ex Parte*").

This truth is witnessed by the intense public outcry from users of free conferencing services, resulting in over 100,000 letters to members of Congress in less than a week, following an appeal from Global Conference Partners to its customers to inform lawmakers of the need to seek out the facts regarding free conferencing services, before lawmakers simply legislate away consumer choice in favor of oligopoly profit and market power that will benefit only Verizon and the other IXCs.

Verizon's insistence that free conferencing traffic is "artificial" and "forced" on the customer is the cornerstone of their entire argument, and it is 100% false. Logic dictates that if you, the reader, knows that the traffic consists of *real* consumers making *real* calls and discussing the same *real* things that they would discuss on Verizon's competing conference call offering, then Verizon's letter and accusations make no sense at all, because Free Conferencing delivers the same class and quality conferencing service that Verizon offers except that Verizon's offer costs the consumer much more. The consumer saves the same amount of time using Free Conferencing as they do using Verizon conferencing, so naturally consumers prefer Free Conferencing over Verizon conferencing. And, that is the *consumer's* choice. Nothing is being forced upon the consumer, and nothing about the process makes the traffic artificial.

Verizon and the other IXCs' failure to substantiate their claims of exorbitant costs associated with free conference calling traffic is telling. Instead of using this docket to see how many times the IXCs can use the pejorative misnomer "traffic pumping", and misdirecting lawmakers by referencing "adult chat-line" in the same sentence, Free Conferencing suggests that all the interested parties open up their books and let the real facts come to light. Verizon and the other IXCs' have been asked repeatedly to substantiate their claims with real numbers and real facts, and their refusal to substantiate their claims should speak volumes. Free Conferencing suggests a hearing before the Commissioners and relevant public officials where Free Conferencing and the IXCs would be required to reveal profits and expenses for all to judge which party is telling the truth.

Respectfully submitted,



Dave Erickson
President, Free Conferencing Corporation